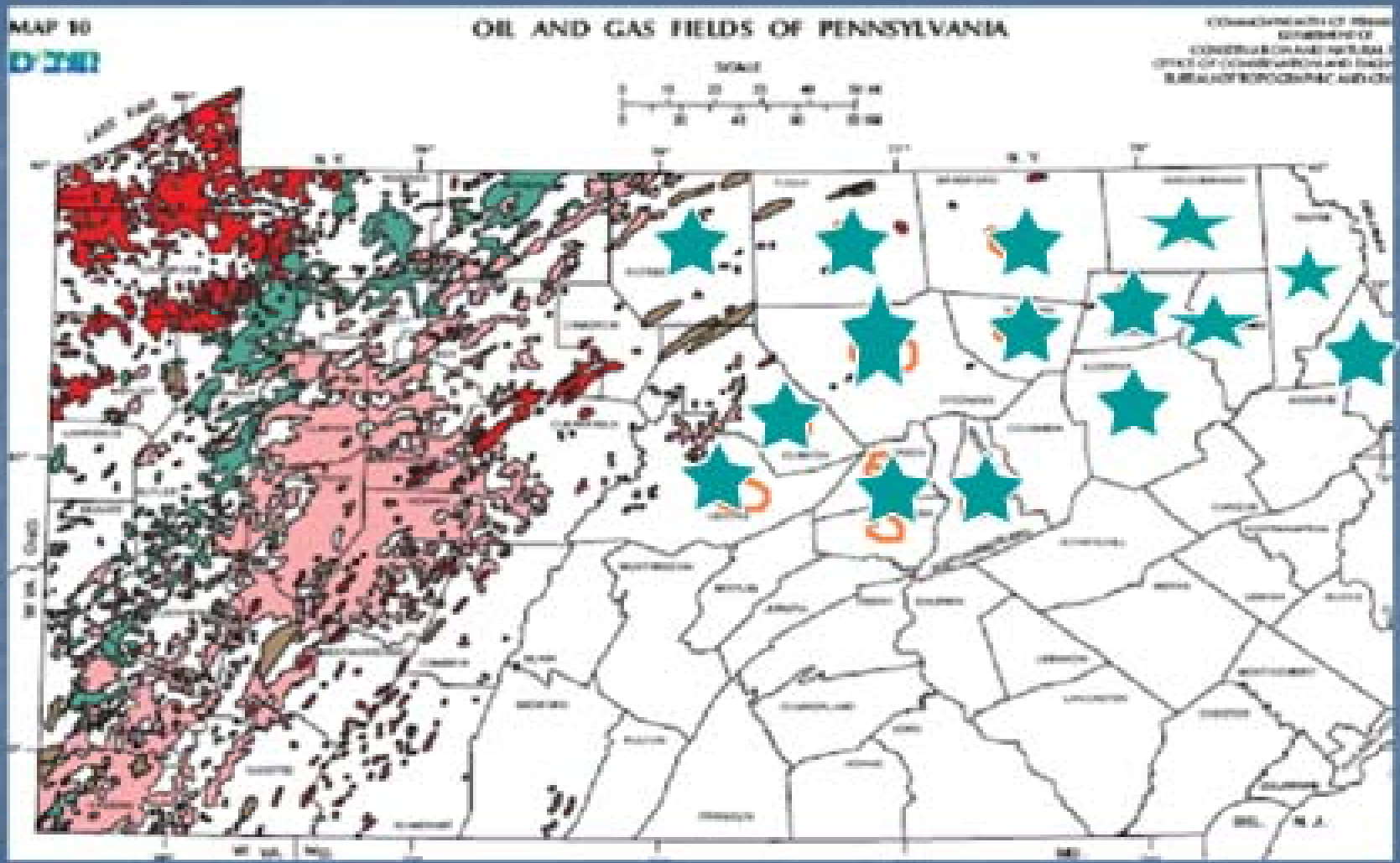


# Final Rulemaking

(with Notice of Proposed Rulemaking Omitted)



## **Chapter 78 – Oil and Gas Wells Permit Fees – Marcellus Shale**

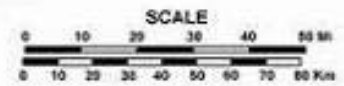


Traditional oil and gas operations on the west side of the Commonwealth. New non-traditional areas where leasing activity has reportedly occurred - stars.

# OCCURRENCE OF MARCELLUS SHALE IN PENNSYLVANIA



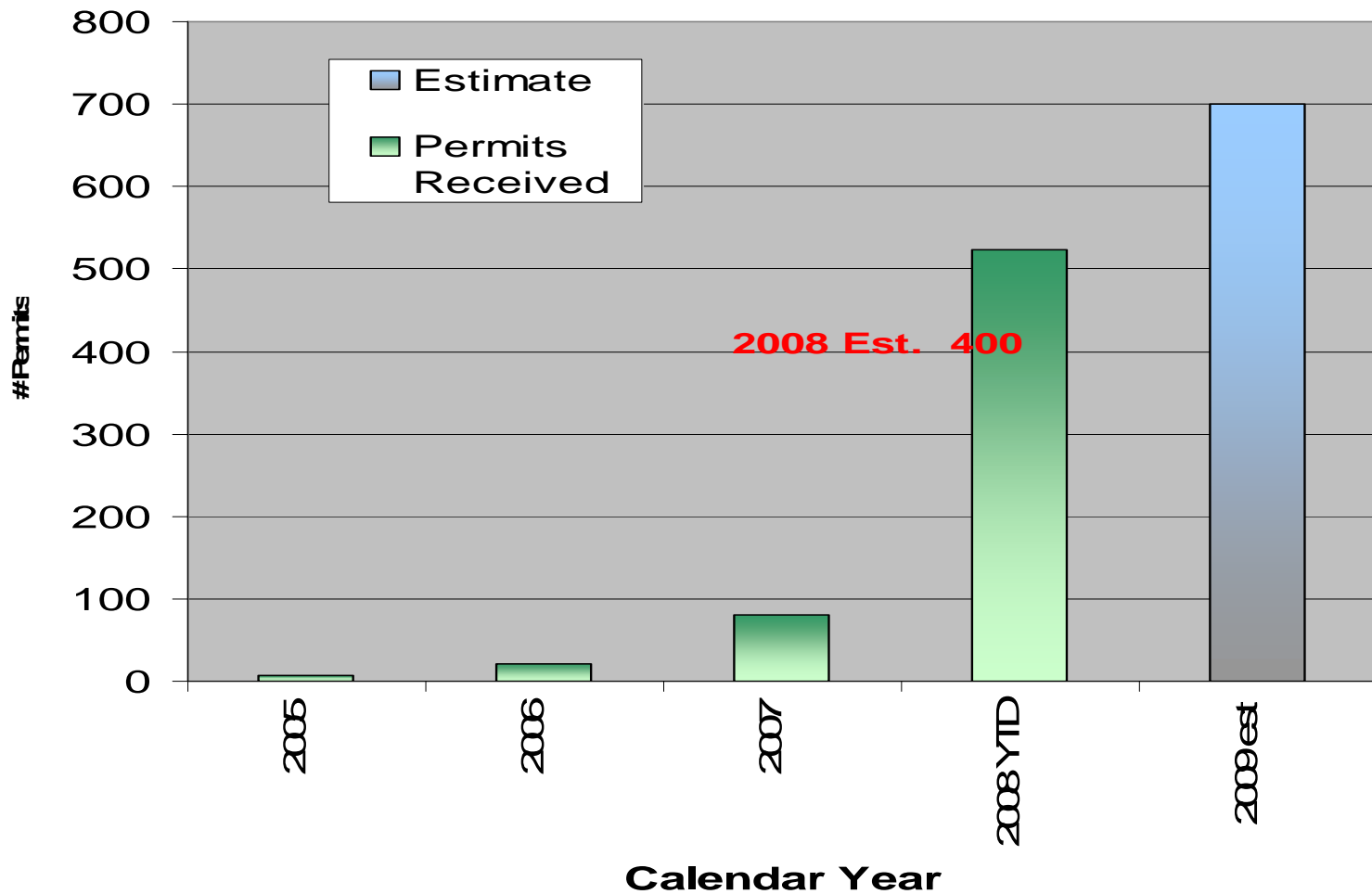
-  Marcellus Formation occurs in subsurface or outcrop
-  Marcellus Formation absent





# Chapter 78 Final Rulemaking (with Notice of Proposed Rulemaking Omitted)

## Marcellus Applications Received by Year



Chapter 78 Final Rulemaking  
(with Notice of Proposed Rulemaking Omitted)

The Final rulemaking adds §78.19 to include:

- Applications to drill a well to produce from the Marcellus shale will have a base fee of \$900 with an additional \$100 per 500 feet of well bore beyond 1,500 feet.
- A 10% administrative fee for drilling beyond the depth identified in the application.

Chapter 78 Final Rulemaking  
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Typical Marcellus Shale well application fee

- 10,000' Marcellus/non-vertical well - \$2,600.

Chapter 78 Final Rulemaking  
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## **Final Rulemaking to Increase Fees**

- The fees for Marcellus permit applications will be in effect until the proposed regulation for permit fees for all wells is finalized.



Chapter 78 Final Rulemaking  
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- **At least every three years, the department will provide the Environmental Quality Board with an evaluation of the fees in this chapter and recommend changes to address any disparity between the program income generated by the fees and the department's cost of administering the program with the objective of ensuring fees meet all program costs and programs are self-sustaining.**

Chapter 78 Final Rulemaking  
(with Notice of Proposed Rulemaking Omitted)

- This Final Rulemaking was presented to the Oil and Gas Technical Advisory Board (TAB) on October 30, 2008.
- The Department recommends the Board approve this as final rulemaking without public comment to allow immediate staffing increases to address industry increased activity and environmental concerns.

Chapter 78 Final Rulemaking  
(with Notice of Proposed Rulemaking Omitted)

**Thank You**

**J. Scott Roberts**

Deputy Secretary

Office of Mineral Resources Management